GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3799
ANSWERED ON:17.08.2001
INDUSTRIAL RECESSION
JAI PRAKASH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether Indian Industry is gradually going into recession;

(b) if so, the reasons therefor;

(c) the specific steps being taken by the Government to overcome the recession;

(d) whether the Government also feels that there is a need to increase domestic demand to set-off the present industrial recession;

(e) if so, whether the CII has also made certain suggestions to the Government in this regard; and

(f) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (f): A statement is enclosed.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION. NO. 3799 FOR 17.08. 2001.

(a): No, Sir. The recession is defined as negative growth in GDP for two consecutive quarters. The quarterly growth rates of GDP and industry indicate that the economy is experiencing a slowdown not recession.

	Oct-Dec 2000-01(Q3)	Jan-Mar 2000-01(Q4)
GDP	5.0	3.8
Industry	5.9	3.3

(b): Does not arise

(c) and (d): To overcome slowdown in industry, the Government have already initiated steps to boost industrial production in the country. These measures have been targeted to improve competitiveness of Indian industry in general and to boost aggregate demand, improve infrastructure base, upgrade technology, introduce labour flexibility and encourage FDI flows.

(e) and (f): CII has suggested the following measures to boost industrial production:

- Stepping up the pace of second-generation reforms.
- Expeditious implementation of the policy announcements made in the budget (2001-02).
- Specific actions to accelerate the process of the resurgence of the rural sector.
- Speedy utilization of funds allocated under the budget for Ministries/Departments.
- Speedy implementation of infrastructure projects.